

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 06357 151353Z

51

ACTION EB-06

INFO OCT-01 EUR-08 IO-04 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-01 H-01 INR-05 INT-05 L-01 LAB-01

NSAE-00 NSC-05 PA-01 RSC-01 AID-05 CIEP-01 SS-15

STR-01 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 SWF-01 AF-04 ARA-06 EA-06 NEA-06 JUSE-00 FTC-01

DRC-01 /104 W

----- 126210

R 151255Z OCT 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 8717

INFO AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY WARSAW

USMISSION EC BRUSSELS

USMISSION OECD PARIS

LIMITED OFFICIAL USE GENEVA 6357

E.O. 11652: N/A

TAGS: ETRD, GATT, PL

SUBJ: GATT WORKING PARTY ON TRADE WITH POLAND

REF: STATE 221524

SUMMARY: WORKING PARTY ON POLISH ACCESSION WAS UNABLE TO SET DATE FOR TERMINATION DISCRIMINATORY EUROPEAN QRS AGAINST POLAND BECAUSE OF OPPOSITION OF EC AND SWEDEN (WITH MUTE SUPPORT FROM A FEW OTHER EUROPEANS). AUSTRIA ANNOUNCED IT WILL ELIMINATE ALL DISCRIMINATION IN QRS BY END OF YEAR. END SUMMARY.

1. WORKING PARTY MET OCTOBER 10 UNDER CHAIRMANSHIP CHADHA (INDIA) TO CONDUCT 7TH ANNUAL CONSULTATION UNDER POLISH
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 06357 151353Z

ACCESSION PROTOCOL. CHADHA, IN INTRODUCTORY STATEMENT

EXPRESSED HOPE THAT MEETING WOULD BE ABLE TO REACH AGREEMENT ON TERMINAL DATE FOR TRANSITIONAL PERIOD AFTER WHICH DISCRIMINATORY QRS WOULD NO LONGER EXIST. POLISH REPRESENTATIVE (JODKO) ALSO PRESSED STRONGLY FOR TERMINATION DISCRIMINATORY QRS WHICH DISTORT TRADE RELATIONS. ARGUED THAT POLISH IMPORTS FROM GATT COUNTRIES HAVE RISEN SHARPLY AND POLAND HAS MET ALL GATT OBLIGATIONS. US, CANADA, AUSTRALIA, ROMANIA, HUNGARY, CUABA, JAPAN, CZECHOSLOVAKIA, ALL SUPPORTED FIXING EARLY FIRM DATE FOR TERMINATION ALL DISCRIMINATORY QRS AGAINST POLAND. AUSTRIA DID LIKEWISE, NOTING THAT IN ITSELF HAD DECIDED TO ELIMINATE ITS DISCRIMINATORY QRS BY END OF 1974. EC CITED TRADE STATISTICS SHOWING FAVORABLE DEVELOPMENT OF POLISH EXPORTS AND HIGH PROPORTION TAKEN BY EC. ARGUED STATISTICS SHOW TRADE FRAMEWORK IS SATISFACTORY, ALTHOUGH FURTHER IMPROVEMENT OF COURSE POSSIBLE. ASSERTED THERE HAD BEEN NO FUNDAMENTAL CHANGE IN CONDITIONS REQUIRING INITIAL ESTABLISHMENT DISCRIMINATORY QRS AND EC UNABLE TO AGREE TO TERMINAL DATE. SWEDEN TOOK SIMILAR POSITION BUT SUGGESTED POSSIBILITY OF COMPROMISE FORMULA INVOLVING END OF TRANSITIONAL PERIOD WITH RETENTION FEW HARD-CORE DISCRIMINATORY QRS. US, WITH SUPPORT CANADA, REJECTED THIS APPROACH.

IN DISCUSSING DEVELOPMENTS OVER LAST YEAR, POLES NOTED SOME PROGRESS IN LIBERALIZATION BY SOME COUNTRIES, AND EXPRESSED APPRECIATION AUSTRIAN ACTION. HOWEVER, DEPLORABLE THAT SOME COUNTRIES HAD MADE NO PROGRESS WHATSOEVER, NOTED THAT LIBERALIZATION BY EC HAD BEEN INSIGNIFICANT. CRITICIZED SOME NOTIFICATIONS, PARTICULARLY EC'S, ON GROUNDS THEY DID NOT ENABLE JUDGMENT AS TO WHAT CHANGES HAD OCCURRED. US, CANADA AND JAPAN DID LIKEWISE. US IN PARTICULAR SUGGESTED DESIRABILITY EC INDICATING MORE CLEARLY WHICH "ECONOMIC ZONES" OF COMMUNITY ARE APPLYING RESTRICTIONS. EC(KAWAN) EXPRESSED FEAR OF BEING BURIED BY QUESTIONS AND CLAIMED THAT IT WAS POLANDS, NOT EC'S ACCESSION TO GATT WHICH WAS UNDER CONSIDERATION. DID NEVERTHELESS RESPOND TO NUMBER OF FACTUAL QUESTIONS ABOUT EC SUBMISSION. ASSERTED THAT EC HAD IN 1974 INCREASED SIZE OF QUOTAS AND REDUCED NUMBER OF PRODUCTS AFFECTED. THEREFORE, EC CONSIDERED IT HAD FULLFILLED OBLIGATIONS UNDER PROTOCOL. SWEDEN TOOK SAME POSITION. NORWAY REPORTED THAT ALTHOUGH TWELVE HARD-CORE QRS RETAINED, SIZE OF QUOTAS INCREASED BY 25 PERCENT, AND THEY THUS ALSO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 06357 151353Z

FULFILLING OBLIGATIONS. JAPAN SUGGESTED EC INCLUDE DATA ON SIZES OF QUOTAS IN FURTHER SUBMISSIONS. EC STATES SUCH DATA WILL IN FUTURE BE PUBLISHED IN ITS OFFICIAL JOURNAL.

3. EC CITED QUOTATIONS FROM RECENT POLISH PUBLICATIONS AND STATEMENTS GOVERNMENT OFFICIALS SEEMING TO POINT TO PRACTICES EQUIVALENT MULTIPLE EXCHANGE RATES AND DIFFERENTIAL SUBSIDIZATION OF EXPORTS TO VARIOUS AREA. REQUESTED EXPLANATION. RESPONSE

OF POLISH REP WAS THAT MATTERS WERE HIGHLY COMPLEX, WERE UNDER DISCUSSION IN VARIOUS FORA AND HE WOULD NOT WISH TO GIVE HASTY, SUPERFICIAL REACTION. HOWEVER, HE DID CALL ON EXPERT WHO MADE INCONCLUSIVE COMMENTS. CHAIRMAN SUGGESTED MATTER BE CONSIDERED AT AFTERNOON SESSION, HOWEVER, AT AFTERNOON SESSION POLISH REPRESENTATIVE IN EFFECT REJECTED FURTHER CONSIDERATION OF MATTER ON GROUNDS POLAND HAD ENTERED GATT ONLY AFTER EXAM OF ITS ECONOMIC SYSTEM AND HAD MADE NO SUBSEQUENT CHANGES INCONSISTENT WITH ACCESSION PROTOCOL, ALTHOUGH THERE HAD BEEN NUMEROUS CHANGES IN DIRECTION OF IMPROVING MARKET ACCESS AND PROVIDING FULLER INFORMATION. STATED EXPERTS WOULD, HOWEVER, BE PREPARED ANSWER QUESTIONS INFORMALLY IN THE CORRIDORS, EC ARGUED THAT MATTER WAS RELEVANT TO QUESTION OF ELIMINATION OF QRS ON GROUND THAT EUROPEANS FEARED UNFAIR EXPORT PRICING PRACTICES. US SUPPORTED EC POINT THAT MATTER WAS RELEVANT TO WORKING PARTY REVIEW, BUT ONLY BECAUSE OF RELATIONSHIP TO QUESTION OF POLISH FULFILLMENT OF ITS GATT OBLIGATIONS. JAPAN TOOK POSITION MATTER WAS NOT PERTINENT TO WP TASKS.

4. EC ALSO ASKED ABOUT PRESS REPORTS INDICATING POLISH MEASURES TO RESTRICT IMPORTS IN JUNE. POLISH RESPONSE WAS VAGUE.

5. SWEDEN ASKED ABOUT POLISH PLANS FOR CUSTOM TARIFF. POLAND RESPONDED MATTER BEING CONSIDERED. CAN'T EXCLUDE THAT DURING 1975 A DECISION MAY BE TAKEN ON INTRODUCTION OF A CUSTOM TARIFF IN AN EXPERIMENTAL WAY TO GAIN EXPERIENCE. IF THIS WERE DONE, POLAND WOULD INFORM GATT IN APPROPRIATE MANNER.

6. WHEN IT BECAME CLEAR THAT WP WOULD NOT BE ABLE TO SET DATE FOR END OF TRANSITION PERIOD, POLAND SUGGESTED THAT REVIEW NOT BE COMPLETED BUT HELD OPEN WITH POSSIBILITY OF RESUMING THE SESSION EARLY NEXT YEAR. HINTED THAT THEY EXPECTED ACTION BY EUROPEANS IN ACCORDANCE WITH BILATERAL AGREEMENT WOULD RESULT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 06357 151353Z

IN SIGNISANTLY CHANGED SITUATION AT THAT TIME. US AND OTHERS FAVORED HOLDING OPEN THE POSSIBILITY OF NEW MEETING EARLY NEXT YEAR. EC PRESSED FOR TERMINATING PRESENT SEVENTH ANNUAL REVIEW. FINAL COMPROMISE WAS STATEMENT THAT WP AGREED THAT THE 8TH ANNUAL REVIEW COULD BE HELD AT EARLIER DATE IN 1975 AFTER APPROPRIATE CONSULTATION.

7. COMMENT: POLAND FIELDDED A SIX-MEMBER DELEGATION TO MEETING, AND PRESSED RATHER HARD FOR TERMINAL DATE FOR DISCRIMINATORY QRS, ALTHOUGH IT OF COURSE REALIZED BEFORE MEETING THAT AGREEMENT WOULD NOT BE POSSIBLE. WE GAINED IMPRESSION, HOWEVER, THAT IT IS NOW RELYING PRIMARILY ON BILATERAL NEGOTIATIONS WITH INDIVIDUAL EUROPEAN STATES (RATHER THAN ON GATT) TO ACHIEVE THIS OBJECTIVE.DALE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, LABOR UNIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974GENEVA06357
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740292-1006
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741047/aaaaboas.tel
Line Count: 168
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 221524
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 04 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 APR 2002 by boyleja>; APPROVED <31 JUL 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GATT WORKING PARTY ON TRADE WITH POLAND
TAGS: ETRD, OCON, PL, GATT
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005